both Verizon Wireless and many other providers have numerous agreements that were not subject to Commission review that allow others to resell their services.

Third, the parties agreed to establish a joint venture to develop innovative ways to
integrate wireline and wireless services so that consumers can seamlessly use their
services across a variety of devices and screens ("Innovation Technology Joint
Venture"). But the creation of the joint venture does not involve any interest in any
FCC licenses. Therefore, it does not trigger any Commission review.

## A. The Commission Has Consistently Declined to Review Business Agreements Not Involving Transfers of Commission Authorizations.

Long-standing precedent has established that Section 310(d) – the provision of the Act applying to these license assignments – calls for review of a license assignment itself, not of any other transactions, even when those transactions involve the same parties. The Supreme Court, considering a predecessor to Section 310(d), addressed whether a private contract repudiated at the Commission's direction as a precondition to a radio license renewal could nevertheless be given effect by a state court. The Commission had determined that the contract between the licensee and another party did not serve the public interest because it drained needed resources from the licensee, and agreed to renew the license only subject to the licensee's representation that it would repudiate the contract. The Court held that the licensee's subsequent repudiation

<sup>&</sup>lt;sup>246</sup> See Regents of the University System of Georgia v. Carroll, 338 U.S. 586 (1950). The provision under review was the 1934 Act's original Section 310(b). The 1934 provision read as follows: "The station license required hereby, the frequencies authorized to be used by the licensee, and the rights therein granted shall not be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of, or indirectly by transfer of control of any corporation holding such license, to any person, unless the Commission shall, after securing full information, decide that said transfer is in the public interest, and shall give its consent in writing." Communications Act of 1934, ch. 652, Part I, § 310(b) (replaced by 66 Stat. 716 (1952)). This version of the provision remained in place until 1952, when Congress adopted the version that stands today and codified it as Section 310(d). See 66 Stat. 716 (1952). The 1952 amendment did nothing to expand the Commission's authority in this area.

was without legal effect, because "[w]e do not read the Communications Act to give authority to the Commission to determine the validity of contracts between licensees and others."<sup>247</sup>

In fact, in cases where the Commission has been asked to review commercial agreements involving the parties to a transaction that, unlike here, were *directly* related to or even dependent on a spectrum transaction, it declined to do so. The Commission followed this policy for the AT&T-Centennial transaction,<sup>248</sup> the GM-Hughes transaction,<sup>249</sup> and the Sprint Nextel-Clearwire transaction. In addition, it did not review joint marketing agreements and other business arrangements closely akin to those at issue here. In 2005, Sprint Nextel, Comcast, Time Warner

<sup>&</sup>lt;sup>247</sup> See id. at 587-91, 602.

<sup>&</sup>lt;sup>248</sup> Cellular South argued that AT&T's acquisition of a controlling interest in one of Centennial's licenses would violate a Commission-approved settlement agreement between BellSouth and Cellular Holding, Inc. Although the settlement agreement directly addressed ownership issues relating to the transfer, the Commission refused to review it: "[W]e agree with the Applicants that the Agreement constitutes a private contractual matter between New Cingular Wireless and Cellular South that is beyond the Commission's jurisdiction." *AT&T-Centennial Order*, 24 FCC Rcd at 13976 ¶ 152.

<sup>&</sup>lt;sup>249</sup> In that proceeding, a party petitioned to challenge the allegedly inequitable treatment of a particular class of shareholders in the underlying deal. While the charge spoke directly to the underlying transfer, the Commission again declined to consider these arguments. *GM-Hughes Order*, 19 FCC Rcd at  $609 \, \P \, 314$ .

In that transaction, the Public Interest Spectrum Coalition asked the Commission to impose a condition that any changes in "contracts with entities providing financial backing that would substantially change the [applicants'] open network commitments must be submitted to the Commission," placed on public notice, and subject to comment. The Commission declined, even though the request was designed to ensure compliance with merger-related commitments, noting the absence of "any precedent" for Commission review of such private contracts. *Sprint Nextel-Clearwire Order*, 23 FCC Rcd at 17609-10 ¶¶ 98, 101. Nor did the Commission address, much less specifically approve, other aspects of the broader relationships among Sprint, Clearwire, and its other partners that were separate from the license transfers. *See*, e.g., Press Release, Clearwire, Sprint and Clearwire to combine WiMAX businesses, creating a new mobile broadband company (May 7, 2008), <a href="http://corporate.clearwire.com/common/download/download.cfm?CompanyID=CLWR&FileID=442757&FileKey=0556727d-310e-4cae-abf5-48824fdd8098&FileName=CLWR News 2008 5 7 General Releases.pdf.

Cable, Cox, and Advance/Newhouse created Pivot Wireless, a \$200 million joint venture aimed at offering wireless services alongside cable television, broadband, and voice services.<sup>251</sup>

Nor has the Commission reviewed any of the dozens of agreements in which direct broadcast satellite ("DBS") providers DISH Network and DIRECTV have partnered with traditional telephone providers to offer a bundle that combines their satellite TV service with the telephone company's Internet and voice services. Likewise, it has not reviewed various commercial arrangements under which satellite broadband providers and DBS providers supply a bundled satellite television/Internet access offering – including, for example, the recently announced DISH/ViaSat deal<sup>253</sup> – or deals between wireless providers and LECs to offer bundled voice/video/data/mobility. Going back almost a decade, there are numerous examples of communications industry joint marketing agreements – none of which faced Commission scrutiny.

<sup>&</sup>lt;sup>251</sup> See Press Release, Sprint Nextel, Comcast, Time Warner Cable, Cox Communications and Advance/Newhouse Communications to Form Landmark Cable and Wireless Joint Venture (Nov. 2, 2005), <a href="http://www.comcast.com/about/pressrelease/pressreleasedetail.ashx?">http://www.comcast.com/about/pressrelease/pressreleasedetail.ashx?</a>? <a href="https://www.comcast.com/about/pressreleasedetail.ashx?">SCRedirect=true&PRID=111</a>.

<sup>&</sup>lt;sup>252</sup> See, e.g., Press Release, DIRECTV, AT&T and DIRECTV, Inc. Reach Agreement to Offer Satellite TV Service to AT&T Customers (Sept. 26, 2008), <a href="http://www.directv.com/DTVAPP/global/contentPageNR.jsp?assetId=3620013">http://www.directv.com/DTVAPP/global/contentPageNR.jsp?assetId=3620013</a>; Press Release, CenturyLink, DIRECTV and CenturyLink Sign Agreement to Offer Video Services to CenturyLink Customers (Aug. 12, 2010), <a href="http://news.centurylink.com/index.php?s=43&item=57">http://news.centurylink.com/index.php?s=43&item=57</a>; Press Release, Frontier Communications, Frontier Communications Chooses DISH Network as its Video Partner (Aug. 3, 2011), <a href="http://www.fiercetelecom.com/press\_releases/frontier-communications-chooses-dish-network-its-video-partner">http://www.fiercetelecom.com/press\_releases/frontier-communications-chooses-dish-network-its-video-partner</a>.

<sup>&</sup>lt;sup>253</sup> See Press Release, DISH Network, DISH Bundles TV Service with ViaSat's Next-Generation High-Speed Satellite Broadband (Jan. 9, 2012), <a href="http://press.dishnetwork.com/press-releases/dish-bundles-tv-service-with-viasat-s-next-generat-nasdaq-dish-0838380">http://press.dishnetwork.com/press-releases/dish-bundles-tv-service-with-viasat-s-next-generat-nasdaq-dish-0838380</a>.

<sup>&</sup>lt;sup>254</sup> See Press Release, Frontier Communications Corporation, Frontier Communications Teams with AT&T to Offer Wireless Voice and Data Products (Nov. 15, 2011), <a href="http://phx.corporate-ir.net/phoenix.zhtml?c=66508&p=irol-newsArticle&ID=1630726&highlight="http://phx.corporate-ir.net/phoenix.zhtml?c=66508&p=irol-newsArticle&ID=1630726&highlight="https://phx.corporate-ir.net/phoenix.zhtml?c=66508&p=irol-newsArticle&ID=1630726&highlight="https://phx.corporate-ir.net/phoenix.zhtml?c=66508&p=irol-newsArticle&ID=1630726&highlight="https://phx.corporate-ir.net/phoenix.zhtml">https://phx.corporate-ir.net/phoenix.zhtml</a>?c=66508&p=irol-newsArticle&ID=1630726&highlight=.

<sup>&</sup>lt;sup>255</sup> See Press Release, EchoStar Communications Corp., SBC Communications, EchoStar Reach New Strategic Pact (Sept. 20, 2005) (addressing 2003 agreement extended in 2005),

Even traditional *mergers* involving providers of telecommunications, media, and information-technology offerings remain outside the scope of Commission review when they do not involve assignment of a license or a change in ownership or control of an FCC licensee. The Commission did not, for example, review Microsoft's 2011 acquisition of Skype,<sup>256</sup> the 2007 combination of Dow Jones and News Corp.,<sup>257</sup> Google's 2006 acquisition of YouTube,<sup>258</sup> or the 2004 NBC-Vivendi transaction.<sup>259</sup>

http://press.dishnetwork.com/Press-Center/News-from-DISH/page/SBC-Communications,-EchoStar-Reach-New-Strategic-P; Press Release, Qwest Communications, Qwest Forges Agreement With EchoStar To Offer Satellite Services As Part Of Communications Bundle (July 21, 2003), http://news.centurylink.com/index.php?s=43&item=1003; SBC / Dish Network Changes Everything (Spring 2004), at 3, http://www.att.com/Common/files/pdf/sbc\_dish\_mailer.pdf (addressing 2002 agreement).

<sup>&</sup>lt;sup>256</sup> See Press Release, Microsoft Corp., Microsoft to Acquire Skype (May 10, 2011), http://www.microsoft.com/presspass/press/2011/may11/05-10corpnewspr.mspx; Press Release, Microsoft Corp., Microsoft Officially Welcomes Skype (Oct. 13, 2011), http://www.microsoft.com/presspass/press/2011/oct11/10-13SkypePR.mspx.

<sup>&</sup>lt;sup>258</sup> See Press Release, Google, Inc., Google to Acquire YouTube for \$1.65 Billion in Stock (Oct. 9, 2006), <a href="http://www.google.com/press/pressrel/google\_youtube.html">http://www.google.com/press/pressrel/google\_youtube.html</a>.

<sup>&</sup>lt;sup>259</sup> See Press Release, NBC, NBC and Vivendi Universal Entertainment Unite to Create NBC Universal (May 12, 2004), <a href="http://www.vivendi.com/vivendi/IMG/pdf/14">http://www.vivendi.com/vivendi/IMG/pdf/14</a> PR120504NBCU.pdf.

# B. The Commission Also Should Not Review the Commercial Agreements Because They Are Being Fully Reviewed by the Department of Justice.

The Commercial Agreements are already the subject of review by the Department of Justice ("DOJ") Antitrust Division.<sup>260</sup> Thus, to the extent any elements of the Commercial Agreements require government review to ensure the ongoing competitiveness of the marketplace, the DOJ is performing that review. Although the authority of the DOJ and FCC overlap with respect to review of the license assignments themselves, only the DOJ has authority to review the Commercial Agreements.

This point is underscored by several commenters who ask the Commission to go far beyond its Section 310(d) authority. T-Mobile couches its argument in terms of alleged violations of the Clayton and Sherman Acts, <sup>261</sup> which are the foundational antitrust statutes enforced by the DOJ and the FTC. RTG complains that it wants to address "the *antitrust* issues" that are implicated. <sup>262</sup> Free Press asserts that the Commercial Agreements violate the DOJ's Competitor Collaboration Guidelines. <sup>263</sup> CWA/IBEW urge the FCC to collect and review every document that the parties provide to DOJ (where the materials' confidentiality is strictly protected by Act of Congress). <sup>264</sup> These and similar statements reveal that critics are seeking to

<sup>&</sup>lt;sup>260</sup> Consistent with the threshold requirements of the Hart-Scott-Rodino Act ("HSR"), the parties filed notification of the transaction with the antitrust agencies on January 10, 2012. On February 9, 2012, the parties received a request for further information ("Second Request") from DOJ.

<sup>&</sup>lt;sup>261</sup> T-Mobile at 18-19.

<sup>&</sup>lt;sup>262</sup> RTG at 28-31 (emphasis added).

<sup>&</sup>lt;sup>263</sup> Free Press at 41-47; *see also* DIRECTV at 5 (expressing concerns about "coordinated action [that would] adversely affect competition"); Hawaiian Telecom at 18-19 (arguing that the technology joint venture could allow for "market allocation or another form of anticompetitive conduct").

<sup>&</sup>lt;sup>264</sup> CWA at 24.

entice the Commission into extending its authority beyond its bounds and duplicating the work of the DOL<sup>265</sup>

In any event, as the parties are demonstrating to the DOJ, the Commercial Agreements are pro-competitive and pro-consumer. The Agent Agreements permit Verizon Wireless, Cox, and the members of SpectrumCo to cross-market each other's offerings, bringing innovative new bundles to consumers, including to the 86 percent of consumers outside the Verizon FiOS footprint. If they are activated, the Reseller Agreements will permit Cox and the SpectrumCo companies to more closely integrate these bundled offerings and offer consumers access to even more choices under separately-branded offerings. The Innovation Technology Joint Venture will allow the Applicants to explore new, consumer-friendly ways to move content from screen to screen, enabling consumers to share and shift content across multiple devices. This work will facilitate the sharing of user-generated content and commercial content alike, improving the enduser experience. 266

# C. Commenters' Other Proposed Bases for the Commission to Review the Commercial Agreements Are Meritless.

There Is No Violation of Section 652(c). Commenters argue that Section 652(c) of the Act prohibits Verizon Wireless from entering into the Commercial Agreements.<sup>267</sup> The Commission's prior decisions, however, make clear that Section 652(c) of the Act does not

<sup>&</sup>lt;sup>265</sup> Public Knowledge *et al.* argue that the Commission's public interest standard allows for the consideration of antitrust policies. *See* Public Knowledge at 19. This assertion is correct as to the actual license assignment applications at issue here. However, the Commission does not have free reign to investigate *any* antitrust concerns, no matter how far removed from the license application at issue.

Various commenters claim that the Agreements are not in the public interest. As explained in *Exhibit 6*, these parties entirely ignore the many consumer benefits of the Commercial Agreements, and their allegations that the Agreements will cause competitive harm are wrong.

267 RCA at 40; RTG at 25-26; Public Knowledge at 41-44; Free Press at 41 n.63.

prohibit Verizon Wireless from entering into the Commercial Agreements. Section 652(c) applies to the activities of a "local exchange carrier" ("LEC"). The Commission has determined specifically that CMRS providers are not "LECs." Thus, Verizon Wireless is not a LEC, and Section 652(c) is not applicable to it.

Commenters argue that Section 652(c) should be interpreted to include LECs' affiliates.<sup>270</sup> This argument is refuted by the statutory text. While Section 652(a) and (b) expressly refer to a "local exchange carrier or any affiliate of such carrier,"<sup>271</sup> Section 652(c) applies only to a "local exchange carrier" – there is no reference in Section 652(c) to "affiliates." "[W]here Congress includes particular language in one section of a statute but omits it in another ..., it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion."<sup>272</sup> That precept is especially relevant where, as here, the relevant provisions were adopted simultaneously.<sup>273</sup> Thus, Section 652(c) cannot be construed to apply to Verizon Wireless simply because it is an affiliate of Verizon.<sup>274</sup>

<sup>&</sup>lt;sup>268</sup> Id.

<sup>&</sup>lt;sup>269</sup> See, e.g., Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, First Report and Order, 11 FCC Rcd 15499, 15996  $\P$  1005 (1996) (concluding that "CMRS providers will not be classified as LECs").

<sup>&</sup>lt;sup>270</sup> See Public Knowledge at 42-44.

<sup>&</sup>lt;sup>271</sup> 47 U.S.C. § 572(a), (b).

<sup>&</sup>lt;sup>272</sup> Keene Corp. v. United States, 508 U.S. 200, 208 (1993) (quoting Russello v. United States, 464 U.S. 16, 23 (1983).

<sup>&</sup>lt;sup>273</sup> See Lindh v. Murphy, 521 U.S. 320, 330 (1997).

<sup>&</sup>lt;sup>274</sup> GTE Service Corp. v. FCC, 224 F.3d 768 (D.C. Cir. 2000), is not relevant here. That case involved a provision (Section 254(g)) whose legislative history made clear that it was intended to be interpreted broadly. Section 652(c) has no such legislative history, and its text expressly excludes affiliates from its reach. In addition, the clarity of Section 652(c) is not affected by questions about the application of Section 652(b) to a cable operator's acquisition of a competitive local exchange carrier. See Petition for Declaratory Ruling to Clarify 47 § U.S.C. 572 in the Context of Transactions between Competitive Local Exchange Carriers and Cable Operators, WC Docket No. 11-118 (filed Jun. 21, 2011).

Other Provisions Cited By Commenters Are Irrelevant. Contrary to the claims of Public Knowledge et al., <sup>275</sup> no other statutory provision authorizes the Commission to consider the Commercial Agreements. Sections 624A, 628, or 629<sup>276</sup> direct the Commission to adopt rules addressing specific topics, <sup>277</sup> and the Commission has in each case done so. <sup>278</sup> As an initial matter, these provisions have no obvious relevance to the subject matter here, and commenters' citations to them are ambiguous, far-fetched, and unsupported by any concrete detail or theory. Nevertheless, if commenters believe that the Applicants have violated these rules (and no one has provided a remotely plausible basis for believing that they have), they may allege as much using the mechanisms contemplated by the Act and the Commission's rules. Likewise, if commenters favor adoption of revised rules, they may file petitions for rulemaking. These provisions do not, however, authorize the Commission to review the Commercial Agreements in the context of a license transfer proceeding.

Similarly, nothing in the Commercial Agreements implicates Section 706 of the 1996

Act.<sup>279</sup> The provision cited by Public Knowledge – Section 706(b) – directs the Commission

"take immediate action to accelerate deployment of [advanced telecommunications] capability

by removing barriers to infrastructure investment and by promoting competition in the

telecommunications market" if it finds that such services are not being "deployed to all

Americans in a reasonable and timely fashion."<sup>280</sup> The Commercial Agreements do not impede

the deployment of advanced services – nor does Public Knowledge explain why the provision is

<sup>&</sup>lt;sup>275</sup> See Public Knowledge at 24-29, 36-41.

<sup>&</sup>lt;sup>276</sup> 47 U.S.C. §§ 544a, 548, 549.

<sup>&</sup>lt;sup>277</sup> See id. §§544a(b)-(d), 548(c), 549(a).

<sup>&</sup>lt;sup>278</sup> See 47 C.F.R. § 76.630(a); id. §§ 76.1000-76.1004; id. §§ 76.1200-76.1210.

<sup>&</sup>lt;sup>279</sup> 47 U.S.C. § 1302.

<sup>&</sup>lt;sup>280</sup> Id.; see also Public Knowledge at 24.

applicable. To the contrary, the Agent Agreements will give consumers more options for advanced services, the Reseller Agreements have the potential to provide further choices, and the Innovation Technology Joint Venture is intended to develop cross-platform technologies that enhance advanced products and devices available to consumers.

## D. Commenters Supply No Justification for Requiring Submission of the Commercial Agreements in Unredacted Format.

Various commenters contend that the Commission must order the Applicants to submit the Commercial Agreements in unredacted format.<sup>281</sup> As described at length above, the Commission's review of the spectrum assignments under Section 310(d) does not encompass review of the Commercial Agreements, and to do so would violate longstanding Commission precedent. Moreover, the agreements are already being reviewed by the DOJ. The agreements are unrelated to the license assignments under review here and include highly sensitive commercial information regarding the Applicants and their businesses. Thus, while the Applicants have agreed, at staff's request, to submit redacted copies under Highly Confidential treatment, there is no reason to require submission of the unredacted documents.<sup>282</sup>

<sup>&</sup>lt;sup>281</sup> See, e.g., Hawaiian Telecom at 10-13; RTG at 6; Sprint Nextel at 4; CWA at 22-24.

<sup>&</sup>lt;sup>282</sup> See generally Letter to Marlene H. Dortch, Secretary, FCC, from Bryan N. Tramont, Counsel for Verizon Wireless, Michael H. Hammer, Counsel for SpectrumCo LLC, and J.G. Harrington, Counsel for Cox TMI Wireless, LLC, WT Docket No. 12-4 (filed Feb. 9, 2012).

#### CONCLUSION

For the foregoing reasons, commenters have failed to raise any basis for denying the transactions or imposing conditions. Accordingly, the Commission should move swiftly to recognize the public interest benefits associated with the spectrum assignments and unconditionally grant the Applications without conditions.

Respectfully submitted,

/s/

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March 2, 2012

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

FIL	ED/ACCEPTED	
	CEPIFI	١

In re Applications of ) COX TMI WIRELESS, LLC, Assignor, )		Federal Communications Commission Office of the Secretary
and )	WT Docket No. 12-4	
CELLCO PARTNERSHIP d/b/a VERIZON ) WIRELESS, Assignee )		
for Consent to the Assignment of ) Commission Licenses and Authorizations ) Pursuant to Section 310(d) of the ) Communications Act )		

### DECLARATION OF SUZANNE FENWICK

- 1. My name is Suzanne Fenwick. I am Executive Director for Corporate

  Development for Cox Communications ("Cox"). My responsibilities include providing
  leadership and accountability for Cox's acquisition strategy. I have held this position for
  ten of the past twelve years while employed by Cox. My responsibilities have included
  strategic review of the company's wireless business and I have been intimately involved
  in the determination regarding its viability. In making this declaration, I am relying on
  thorough inquiry and on the kinds of information on which I routinely rely in performing
  the duties of my office.
- I am submitting this declaration in support of the Joint Opposition to Petitions to Deny and Comments being filed in this proceeding by Cellco Partnership d/b/a Verizon Wireless, SpectrumCo LLC and Cox TMI Wireless, LLC.

 I have reviewed the Joint Opposition and, specifically, the factual statements in the Joint Opposition relating to Cox and Cox TMI Wireless. To the best of my knowledge, all of those statements are true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 2, 2011.

Suzanne Fenwick

## **Declaration of Robert Pick**

I, Robert Pick, Chief Executive Officer of SpectrumCo, LLC, hereby declare under penalty of perjury that the facts asserted in the foregoing Joint Opposition To Petitions To Deny And Comments with respect to SpectrumCo, LLC are true and correct, to the best of my knowledge, information, and belief.

Robert Pick

Chief Executive Officer, SpectrumCo, LLC

March 2, 2012

# Exhibit 1

Verizon Wireless Spectrum Assignments to Other Licensees, 2007 - Present

## Verizon Wireless Spectrum Assignments to Other Licensees, 2007 – Present

Buyer	Market	Call Sign	Band/Block	Area Assigned	ULS File No.	Close Date
East Kentucky Network d/b/a Appalachian Wireless	Lexington, KY	WQCS428	PCS C	Assignment of Leslie County from 10 MHz license	0002954535	May 2007
Sprint	Rocky Mount, NC	WPTB362	PCS F	Full assignment	0003215270	Apr. 2008
Sprint	Greenville-Washington, NC	WPTB345	PCS F	Full assignment	0003215271	Apr. 2008
Sprint	Roanoke Rapids, NS	WPTB361	PCS F	Full assignment	0003215273	Apr. 2008
Sprint	Greenville-Spartanburg, SC	KNLH211	PCS F	Full assignment	0003215280	Apr. 2008
Sprint	Burlington, NC	WPTB339	PCS F	Full assignment	0003215274	Apr. 2008
Sprint	Jacksonville	KNLF274	PCS B	Assignment of 10 MHz in Bay County in Panama City, FL BTA and 10 MHz in the Valdosta, GA BTA	0003215276 and 0003215278	Apr. 2008
T-Mobile (WALLC deal)	Minneapolis-St. Paul	WPOH983 WPOH998	PCS B	T/C of full (20 MHz) licenses	0003946812	Feb.2010
NEATT	Little Rock, AR	WPOK589 WPTJ401	PCS C	Independence, Jackson and Sharp counties	0003987388	Aug. 2010
NEATT	Little Rock, AR	KNLG223	PCS E	Independence, Jackson and Sharp counties	0003987372	Aug. 2010
NEATT	Poplar Bluff, MO	KNLG336	PCS E	Clay County	50001CWAA10 (paper filed, attached to Step 1 pro forma 0004013632)	Aug. 2010
NEATT	Jonesboro-Paragould, AR	KNLG319	PCS D	Full assignment	0003987374	Aug. 2010
US Cellular	Yakima, WA Anderson, IN Idaho 1	WQJQ736 WQJQ743 WQJQ759	700 MHz B	Full assignment	0004697471	Sept. 2011

## Verizon Wireless Spectrum Assignments to Other Licensees, 2007 – Present

Buyer	Market	Call Sign	Band/Block	Area Assigned	ULS File No.	Close Date
US Cellular	Indiana 4	WQJQ761				
(cont'd)	Kansas 8	WQJQ763				
	Nebraska 1	WQJQ774				
	Nebraska 2	WQJQ775				
	Nebraska 7	WQJQ776				
	Nebraska 9	WQJQ777				
	Oklahoma 4	WQJQ782				
	Oregon 3	WQJQ783				
	Washington 5	WQJQ795			/	
	Washington 8	WQJQ796				
US Cellular	Springfield, IL	WPWV467	700 MHz	Full assignment	0004697504	Sept. 2011
	Champaign, IL	WPWV468	Lower C			
	Bloomington, IL	WPWV469				
	Illinois 6	WPWV470				
	Illinois 7	WPWV471				
Sprint	Myrtle Beach, SC	WQLI792	PCS C	Full assignment	0004908897	Jan. 2012
Sprint	Charlotte-Gastonia, NC	KNLG292	PCS C	Full assignment	0004910788	Jan. 2012
Sprint	Columbia, SC	KNLH215	PCS F	Full license (split into two parts)	0004908931 and 0004908934	Jan. 2012
Sprint	Jacksonville	KNLF274	PCS B	Assignment of 2.5 MHz in Brunswick, GA and Waycross, GA BTAs	0004908944	Jan. 2012
Leap	Chicago, IL	WQJQ707	700 MHz A	Full assignment	0004952444	Filed Nov. 23 2011 Awaiting consent

## Verizon Wireless Spectrum Assignments to Other Licensees, 2007 – Present

Buyer	Market	Call Sign	Band/Block	Area Assigned	ULS File No.	Close Date
Nex-Tech Wireless, LLC	Colorado 2 Colorado 5 Kansas 7 Kansas 13	WQJQ755 WQJQ757 WQJQ762 WQJQ766	700 MHz B	Full assignment	0005039823	Filed Feb. 6, 2012 Awaiting consent
Texas Energy Network, LLC	San Antonio, TX	WQJQ715	700 MHz A	Partial assignment (partition) of Atascosa, Bandera, Dimmit, Frio, Gillespie, Gonzales, Jim Hogg, Karnes, Kendall, Kerr, La Salle, Maverick, Medina, Real, Uvalde, Webb, Wilson, Zapata, and Zavala, TX from 700 A license	0005056498	Filed Feb. 17, 2012 Consent PN Feb. 22, 2012 Awaiting close
Texas Energy Network, LLC	Texas 19	WQJQ788	700 MHz B	Full assignment	0005056630	Filed Feb. 17, 2012 Consent PN Feb. 22, 2012 Awaiting close
United Wireless Communications, Inc.	Kansas 11 Kansas 12	WQJQ764 WQJQ765	700 MHz B	Full assignment	0005066143	Filed Feb. 21, 2012 Awaiting consent

# Exhibit 2

# Supplemental Declaration of William H. Stone

#### SUPPLEMENTAL DECLARATION OF WILLIAM H. STONE

- 1. I am Executive Director of Network Strategy for Verizon, and in that capacity I am responsible for advanced technology planning for Verizon Wireless, including new technology assessments, development of network evolution plans, participation in industry standard groups, and spectrum planning. I have been directly involved in the planning and deployment of Verizon Wireless' current broadband services EVDO Rev A ("EVDO") and LTE and the network infrastructure to support those services. In particular, I have been responsible for assessing the company's ongoing spectrum capacity needs since the formation of Verizon Wireless over a decade ago and identifying additional spectrum that can meet those needs both in the short term and over the longer term.
- 2. I submit this supplemental declaration updating and expanding on my previous declarations filed in support of applications to the Federal Communications Commission in which Verizon Wireless seeks approval to acquire 122 Advanced Wireless Service ("AWS") licenses from SpectrumCo, LLC and 30 AWS licenses from Cox TMI Wireless, LLC. I specifically address claims raised in this proceeding that Verizon Wireless does not need additional spectrum, despite the extraordinary and well-documented growing demand on wireless industry networks flowing from customers' use of broadband.
- 3. In brief, Verizon Wireless' current spectrum holdings will not provide sufficient capacity to meet the growing demand for mobile broadband 4G, in particular by 2013 in some areas and by 2015 in many more. The spectrum covered by the license assignments will enable Verizon Wireless to add needed capacity to its network, and thus help address in part the rapidly growing demand for mobile broadband. This demand shows no signs of slowing to the

contrary it is accelerating, as more and more customers rely on wireless services for their broadband needs, buy more devices that access the Internet, use those devices more hours each day, and download more and more bandwidth-hungry applications. While the spectrum we will obtain through these transactions is needed to help meet the need for more capacity in various markets, Verizon Wireless will continue to need additional spectrum, in these markets and others, to cope with what we expect to be a continued surge in wireless broadband usage in the years ahead.

4. In this supplemental declaration, I will (1) discuss the current status of Verizon Wireless' EVDO and LTE networks and the tremendous growth in our customers' use of those networks; (2) explain how Verizon Wireless calculates future demand for LTE services and how we use that projected demand to determine spectrum need; (3) illustrate the need for additional AWS spectrum in numerous markets across the nation; and (4) explain how other solutions that some parties advise Verizon Wireless to use are already being deployed to address capacity constraints but are not anywhere close to sufficient to meet growing customer demand for mobile broadband.

### **Current Network Operations**

5. Historically, Verizon Wireless has been a market leader in choosing new efficiency-enhancing and capacity-increasing next-generation technologies and aggressively deploying these new technologies into its network. Verizon Wireless invests more in building its network than any other wireless carrier. For instance, in 2009 Verizon Wireless spent \$6.3 billion; in 2010 the company spent \$7.7 billion; and in 2011 it spent \$8.3 billion – a total of \$22.3 billion in the preceding three years.

- 6. Today, the Verizon Wireless network consists of 1x (digital), 3G (EVDO), and 4G (LTE) services. Verizon Wireless' cellular (850 MHz) and PCS (1.9 GHz) licenses are deployed to provide nationwide 1x and 3G services, which currently carry all circuit-switched voice traffic and the lion's share of data and SMS traffic. Verizon Wireless' EVDO network operates on its cellular and PCS licenses and covers 294 million people, or 95 percent of the U.S. population. Our coverage includes over 2,000 rural counties (defined by the FCC as counties with 100 pops or less per square mile). EVDO connections include subscribers and Machine-to-Machine ("M2M") devices, such as automatic meter readers and automobile telematics. In 2011, EVDO traffic grew [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] over 2010, and it continues to grow even as LTE usage increases. (These and other figures I provide below about data traffic are measured in terms of busy-hour downloaded megabytes (MB). Verizon Wireless considers this metric to be a good proxy for measuring total data demands on our network and projecting when additional capacity is needed, because customers download more data than they upload, and we must build our network to accommodate the time of day, known as the busy hour, when data traffic typically peaks.)
- 7. Verizon Wireless' LTE network was launched in December 2010 on its 700 MHz Upper C Block licenses, and now covers 200 million people in 195 markets. Verizon Wireless originally committed to cover its existing nationwide 3G footprint with LTE by year-end 2013, but it recently announced it will achieve essentially the same coverage by mid-year 2013, roughly 15 months from now.
- 8. LTE provides spectral efficiency gain relative to 3G, meaning that we can carry more data within the same amount of spectrum relative to 3G. The spectral efficiency gain is close to 60% compared to our 3G EVDO technology. That gain is realized through more advanced

techniques such as MIMO and faster adaptation to changing radio link conditions. In addition, LTE provides higher peak and average data rates if deployed over wider bandwidths (10x10 MHz or higher), and also provides lower latency than 3G technology.

- 9. Although LTE is the most efficient air interface technology available today, even that increased efficiency is not enough to meet the growing demand for LTE on the 700 MHz and AWS licenses that Verizon Wireless currently holds. The 60% increase in spectral efficiency covers only a small fraction of the projected rapid growth in LTE data traffic. Our usage projections suggest that traffic on our LTE network will surpass data usage on our EVDO network in early 2013. By year-end 2015 our LTE data traffic is projected to be 5 times the peak data traffic ever carried on our 3G EVDO network. The impact of that growth rate compounds, resulting in a more than 20-fold increase in LTE data traffic from year-end 2011 to year-end 2015.
- 10. To increase LTE capacity, Verizon Wireless will continue to add additional cell sites, deploy the LTE Advanced standard, and modify existing cell sites with new antennas and other equipment. Our capacity expansion plans will also put into service the AWS spectrum that we currently hold in the eastern United States. Based on current LTE data growth projections, we plan to put that AWS spectrum into service in [BEGIN HIGHLY CONFIDENTIAL]

  [END HIGHLY CONFIDENTIAL] at [BEGIN HIGHLY CONFIDENTIAL]

  [END HIGHLY CONFIDENTIAL] cell sites where demand is greatest, and we plan to deploy it in the majority of our cell sites in the eastern part of the country [BEGIN HIGHLY CONFIDENTIAL]

  [END HIGHLY CONFIDENTIAL] However, as discussed in my initial declaration and in further detail below, technology advancements we will

deploy in the network, along with use of the AWS spectrum we currently hold, are insufficient to meet future demand, and additional spectrum is required.

## Customer Trends Are Driving Capacity Demands

- 11. In my initial declaration, I provided data demonstrating the explosion in broadband use of our network. The most recent, year-end 2011 information confirms that rapid growth in broadband traffic is continuing.
  - (1) Total data traffic on our network has increased more than [BEGIN

    CONFIDENTIAL] [END CONFIDENTIAL] times in the last five years. From

    4Q06 through 4Q11 we experienced a compounded annual data traffic growth rate

    averaging approximately [BEGIN CONFIDENTIAL] [END

    CONFIDENTIAL] year over year. Even as traffic volume has continued to expand

    significantly, the rate of growth has exceeded [BEGIN CONFIDENTIAL]

    [END CONFIDENTIAL] in each of the past two years, meaning that data traffic has

    [BEGIN CONFIDENTIAL] [END

    CONFIDENTIAL]
  - (2) Many more devices use our network, and that figure is growing faster than the number of individual customers. The number of devices has grown steadily every year. At the end of 4Q11, the company served 108.7 million connections (an increase of 6.5% over the previous year) consisting of 92.2 million retail and 16.5 million wholesale and other connections. Further expansion into M2M services and cloud computing, which are still embryonic, will fuel continued growth in the number of